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1. The trade policy of Poland was greatly affected by the change in the world coal market in January and February 1952. The change was caused by an increase in coal production in Germany of approximately five million tons and the decreased cost of the transportation of American coal.

2. After the increase in the supply of coal, there was a considerable decrease in coal prices. In January and February 1952, Poland would not sell its coal for \$22.00 a ton. Later, Belgian firms refused to purchase Polish coal for \$18.00 a ton. During the crisis in Egypt the Trade Attache, Lutkiewicz, offered Polish coal at \$17.00 a ton to Egypt. This coal was to be sold [redacted]. The offer was not accepted, despite the evident political nature of the transaction.

3. Prior to this, Poland apparently did not have a sufficient amount of coal to meet her international obligations and was constantly late in delivering coal to Western countries. It may be difficult to understand how Poland was suddenly able to offer coal to any buyer. This could be explained as follows: Poland accumulated large supplies of coal which she intended to sell [redacted] in exchange for raw materials and machines which are subject to an embargo. For this reason, Jan Hurnik, director of the Western Department of Centrozbyt, made trips [redacted]. Because of the change in the coal market, Hurnik's trips failed to give the expected result. [redacted] had no intention of purchasing Polish coal at that time. Thus, Poland, not being able to sell her coal on these markets, attempted to sell it wherever possible.

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4. Following the decrease in coal prices, several raw materials, especially steel and non-ferrous metals, whose production was closely connected with the production of coal, showed a considerable drop in prices on the international market. Here, also, the supply exceeded the demand. It seemed as though Poland as well as other countries of the Soviet Bloc would try to exploit this situation in order to purchase the maximum quantities of goods which are under embargo.

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